

IN THE SUPERIOR COURT OF EARLY COUNTY
STATE OF GEORGIA.

EARLY COUNTY, GEORGIA
FILED IN OFFICE

'96 DEC 2 AM 11 39

Grace F. Thompson

GORDON B. CLARK and
CLARICE J. CLARK,

CLERK OF SUPERIOR COURT
SUPERSEDEAS BOND

Plaintiffs,

v.

SECURITY LIFE INSURANCE COMPANY,
INSURERS ADMINISTRATIVE CORPORATION,
ROSENTHAL FINANCIAL a/k/a ROSENTHAL
INSURANCE, SAMUEL C. COREY, JR., and
JOHN L. FIPPS,

CIVIL ACTION

FILE NO. 95-V-261

BOND NO. 400 JU 0635

Defendants

KNOW ALL BY THESE PRESENTS, that Security Life Insurance Company, as Principal, and St. Paul Fire & Marine Insurance Company, as Surety, are held and firmly bound unto Gordon B. Clark and Clarice J. Clark, in the sum of Sixteen Million Two Hundred Twenty Thousand and 00/100 (\$16,220,000.00) Dollars, lawful money of the United States, to be paid unto the said Gordon B. Clark and Clarice J. Clark, their heirs, legal representatives or assigns, for which payment well and truly to be made, we bind ourselves, our heirs, legal representatives, and assigns, firmly by these presents.

The condition of this obligation is such that, whereas the said Security Life Insurance Company appeals to the Court of Appeals of the State of Georgia from the Final Judgment filed on August 6, 1996;

NOW THEREFORE, if Security Life Insurance Company shall pay all costs, charges and damages which may be awarded against it on said appeal, and if Security Life Insurance Company shall pay the judgment or that part of the judgment which is affirmed, then this obligation shall become void to the extent of such payment; and if the judgment is overturned, vacated, reversed, or modified in any way by any court exercising appellate jurisdiction over this matter, then this obligation shall become void to the extent the judgment is overturned, vacated, reversed, or modified; otherwise to be and remain in full force and effect.

PROVIDED, however, that in no event shall the liability of the Surety exceed in the aggregate the sum of Sixteen Million Two Hundred Twenty Thousand and 00/100 (\$16,220,000.00) Dollars.

Signed and Sealed by us this 27th day of November, 1996.

In Presence of

David D. Lickteig
Witness

SECURITY LIFE INSURANCE COMPANY

By: Robert Maxwell-Priest

Jennifer Wass
Witness

ST. PAUL FIRE & MARINE INSURANCE COMPANY

By: William V. Jones, Jr.
William V. Jones, Jr., Attorney-in Fact

Georgia Countersigning Agent

Richard W. Naylor
Richard W. Naylor

Graham Naylor Agency
PO Box 6818
Marietta, GA 30065

APPROVAL

Approved this 2nd day of December, 1996, subject to a future showing by Plaintiff of a need for additional security.

Glenn Moulton Judge

The St Paul

Surety

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
 38 Washington Street, St. Paul, Minnesota 55101

CERTIFICATE OF
 AUTHORITY NO.

CERTIFIED
 COPY NO.

3737

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-421-3880 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

GENERAL POWER OF ATTORNEY - CERTIFIED COPY
 (Original on File at Home Office of Company. See Certification.)

1926242

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

William V. Jones, Jr., Stacey L. Mangee, Stephen W. Rogers, Jennifer L. Wass,
 Maria M. Impallomeni, individually, Liberty Corner, New Jersey

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

UNLIMITED AS TO CHARACTER AND AMOUNT

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said St. Paul Fire and Marine Insurance Company, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of ST. PAUL FIRE AND MARINE INSURANCE COMPANY at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6 (C):

- "The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
 - (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
 - (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY



STATE OF NEW JERSEY } ss.
 County of Somerset }

KENNETH J. RYAN, Secretary

On this 20th day of September, 1995, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of St. Paul Fire and Marine Insurance Company; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the township of Bedminster, New Jersey, the day and year first above written.



LINDA SMETHERS, Notary Public, Middlesex, NJ
 My Commission Expires December 16, 1996

CERTIFICATION

I, the undersigned officer of St. Paul Fire and Marine Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

27th day of November, 1996.

MICHAEL W. ANDERSON, Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

St. Paul Fire and Marine
Insurance Company
385 Washington Street
St. Paul, Minnesota 55102-1396

Financial Statement - June 30, 1996

St. Paul Fire and Marine Insurance Company

<u>Assets</u>		<u>Liabilities, Surplus & Other Funds</u>
Bonds	\$ 7,265,074,603	\$ 5,964,564,762
Stocks	2,221,834,796	11,653,487
Mortgage Loans	24,000,000	1,223,138,322
Real Estate	441,520,658	23,357,012
Collateral Loans	269,418	169,989,761
Cash on Hand/Deposit	12,963,699	3,101,148
Short Term Investments	314,638,743	160,402,628
Other Invested Assets	459,286,366	1,517,332,010
Fixed Income call option	118,764	15,041,015
Agent's Balances	892,335,566	12,602,847
Funds held dep. with Reins Co.	13,345,629	136,684,670
Reinsurance Recoverable	46,495,409	62,467,561
EDP Equipment	25,981,067	14,441,801
Accrued Interest & Dividends	144,441,461	47,843,643
Receivable from Affiliates	13,416,530	57,573,271
Equity/Deposits/Pools & Assoc.	44,444,170	57,524,309
Receivable for Securities	37,156,559	188,712,747
Other Assets	<u>24,634,144</u>	<u>1,000,000</u>
		TOTAL LIABILITIES \$ 9,667,430,995
		Guaranty Surplus Fund \$ 1,000,000
		Capital Paid Up 20,000,000
		<u>Surplus 2,293,526,585</u>
		Surplus as Regards Policyholders <u>2,314,526,585</u>
TOTAL ASSETS	\$11,981,957,580	TOTAL LIABILITIES & SURPLUS \$11,981,957,580

Securities carried at \$365,643.756 in the foregoing statement, are deposited as required by law.

STATE OF MINNESOTA>

> ss

COUNTY OF RAMSEY >

Donald J. Swanson, Vice President & Controller of the St. Paul Fire and Marine Insurance Company, being duly sworn, deposes and says that he is the above described officer of said Company; that said Company is a corporation duly organized, existing and engaging in business as a surety company under and by virtue of the laws of the State of Minnesota, and has duly complied with all requirements of the laws of said State applicable to said Company and is duly qualified to act as Surety under such laws; that the above is a true statement of the Assets and Liabilities of said Company of the 30th day of June, 1996.

Subscribed and sworn to before me this 12th day of August, 1996

D. W. Preuss

Darrell Brown

Donald J. Swanson, Vice President & Controller

